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Prepared Statement of Chairman Jon Porter
Hearing of the House Government Reform Subcommittee on Federal Workforce
and Agency Organization

“The Countdown to Completion:
Implementing the New Department of Homeland Security Personnel System”

March 2, 2005

This is the first hearing of the Government Reform Subcommittee on the Federal Workforce and Agency Organization in the 109th Congress, and my first hearing as Chairman of this Subcommittee. I am very excited about my new position and the opportunity to examine ways the Federal Government can improve the way it hires, pays, recruits, trains and rewards its employees, while at the same time improving individual agency performance. Representing over 14,000 Federal workers and retirees myself in Nevada, I know all too well the sacrifices made by the Federal family, who work diligently – sometimes putting their lives in danger – in the name of public service. Admittedly, I have a lot to learn about this subject matter and I look forward to hearing from the various stakeholders, agencies, and experts to figure out ways to make the Federal Government better.

Today’s hearing is of the utmost importance. February 1, 2005 marked a new day for our Federal employees - the Department of Homeland Security and the Office of Personnel Management issued final regulations for the new personnel management system at the Department

of Homeland Security. It was the first major change to our civil service process in fifty years. This is something I don't take lightly. It took over two years to design this new system but there are still a lot of details to be worked out and I can assure everyone here that this subcommittee will closely monitor the progress and implementation of this new system over the next several years.

The Department must have top talent in order to meet its critical mission and it cannot rely on the old system of rewarding longevity rather than motivating and rewarding performance. Change can be difficult, however, and I know that this is a nerve-wracking experience for the Department's workforce. My predecessor, Congresswoman Jo Ann Davis, and Chairman Tom Davis have worked on ensuring a smooth transition and that the new system is one that is fair and credible. I am quite encouraged to see that the final regulations now require that the development of any internal directives implementing the personnel system authorities provided by these regulations involve employees and employee representatives. I am also encouraged to see that the final regulations require that the Department issue implementing directives requiring new supervisors to meet certain assessment or certification points as part of a formal training program. This will go a long way in ensuring the equitable application of the new pay-for-performance system and in conducting performance reviews. These are much welcomed changes from the proposed regulations.

Since the passage of the Homeland Security Act of 2002, which authorized the creation of a new flexible personnel system for Homeland Security Department employees, there has been a continued trend to modernize personnel systems government-wide. In January 2003, the bipartisan National Commission on the Public Service chaired by Paul Volcker called for the abolishment of the General Schedule and recommended that it be replaced with more flexible personnel management systems. That same year, Congress granted the Department of Defense flexibility to create a new personnel system and also authorized the Senior Executive Service to move to a pay-for-performance personnel system government-wide. Now more than fifty-percent of the Federal workforce will soon be under new modern, flexible personnel systems outside of the General Schedule.

In a forum hosted by the Government Accountability Office and the National Commission on the Public Service last April, there was broad agreement among participants that a government-

wide framework should be established to guide human capital reform, balancing the need for consistency across the Federal workforce and the need for flexible systems tailored to the particular needs of an agency. Moving the rest of the Federal workforce outside the General Schedule into a new performance-based compensation framework is an issue for another day. With that said, however, this Subcommittee is well aware that all eyes are on the success or failure of the new DHS personnel management system. It is very important that we get this right and we will spend the requisite amount of time overseeing the system's implementation to ensure its success.

I would like to express my thanks to the witnesses who have agreed to join us today. We have brought together a broad and knowledgeable array of voices as we begin our exploration of the new system, and look forward to hearing all of your perspectives. I want you to know that I begin this hearing with an open mind. I see this session as a learning opportunity for the Subcommittee.